

DEFENSE DEPARTMENT BLOGGERS ROUNDTABLE WITH COLONEL TRACY O. SMITH, CHIEF OF ECONOMICS BRANCH, MNF-I; LIEUTENANT COMMANDER BROOK DEWALT, OFFICE OF THE SECRETARY OF DEFENSE FOR PUBLIC AFFAIRS, MODERATOR LOCATION: TELECONFERENCE FROM BAGHDAD, IRAQ TIME: 12:01 P.M. EDT DATE: TUESDAY, AUGUST 14, 2007

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LT. CMDR. DEWALT: Then at this point, I would like to say hello and welcome you all to the Department of Defense bloggers roundtable for Tuesday, August 14th, 2007. My name is Lieutenant Commander Brook DeWalt with the Office of the Secretary of Defense for Public Affairs, and I will be moderating our call today.

This afternoon our guest is from Iraq, and that is U.S. Army Colonel Tracy O. Smith, assigned as chief of Economics Development Branch within MNF-I, Multinational Forces-Iraq. The colonel is here today to discuss economic development at the provincial level in Iraq, and we're pleased to have you on today, sir. Thank you very much.

COL. SMITH: Glad to be here. LT. CMDR. DEWALT: And a note to our bloggers for the call today, please remember to clearly state your name and your blog organization in advance of your question, and respect the colonel's time in keeping questions succinct and to the point.

And I'll ask that the bloggers go in order of the call-in, so we begin with Grim, then David Axe, then Dave Price and then Mr. Fishman. And so with that, sir, if you have any opening statements, if you'd like, for the group, and then we'll go into the Q&A.

COL. SMITH: You bet. Greetings to all from Baghdad and thanks for having me on today. We continue to help the people of Iraq establish a level of security and stability that they can sustain on their own. The surge in operations has increased the pressure on the extremists. This mission, to secure progress and provide hope for the people of Iraq, will take time and determination. It is a challenging but achievable mission.

Every group in Iraq should have the opportunity to step away from violence and align themselves with the moderates. They must be able to work through the political process and not the force of arms.

It is our job to help create the conditions for that.

Ambassador Crocker and General Petraeus, as you all very well know, will provide a comprehensive and forthright assessment in September. This will cover the progress, identify shortcomings and offer recommendations for the way ahead.

The surge of forces and the surge of operations has facilitated our ability to conduct non-kinetic operations in a number of areas simultaneously, including areas that have provided sanctuary to al Qaeda and other extremists.

It is not going to be a straight line or a steady linear kind of result. It will be uneven, and we will have to adjust as we go.

The overall effects will not be seen in days or weeks, but over the course of months, which we have begun to experience. Success will require sustained commitment by the government of Iraq and multinational forces. These forces remain committed to its mission of supporting Iraq's efforts to create the stability necessary to allow political and economic progress.

Now let me now quickly emphasize some of the non-kinetic highlights. I'll start with the anniversary of the death of the seventh imam. As you all know, every year over a million pilgrims celebrate this important holiday by marching to the Kadhimiya shrine in Baghdad. Two years ago, nearly 1,000 people were killed in a stampede when a rumor of a suicide bomber circulated among the crowd on a bridge crossing the Tigris River. Last year at least 20 people were killed by mortar attacks and gunfire.

This year the security for the celebration was planned, controlled and executed by the Iraqi security forces. Iraqi security forces ably protected their fellow citizens, with only two killed accidentally when a throng attempted to board a passenger train and crushed them to death.

The rule of law initiatives complex. Prime Minister Maliki has approved a \$50 million in Iraq funding to continue the operation of the so-called rule of law Green Zone, which has established a secure area in Baghdad for courts, prisons and police.

The rule of law complex court heard its first case on April 2nd, 2007, and held its first trial on June 2nd, 2007. Since then, Iraqi judges have heard 1,900 cases and completed 150 criminal investigations.

Thirty Iraqi investigators have graduated from the investigations academy run by the FBI.

Detainees are held inside the rule of law complex in humane conditions.

In the energy sector, Baghdad had eight days of over 5,000 megawatts of electricity in July, roughly 1,000 megawatts more than prewar levels. Most days equaled or exceeded prewar levels.

The shops. Shops are open. The Dura market, one of the biggest markets in Baghdad, was a ghost town before the start of the Baghdad security plan.

Today, over 300 shops are open in the market.

Similarly in the large city neighborhood of Karkh, six months ago the neighborhood bordering Haifa Street was under siege, and shops were closed. Now many shops are open. Fresh produce and meat appear plentiful. Portable generators are in greater use, and Sunni families are beginning to move back into partially rehabilitated apartment buildings.

Out on the streets, the majority of the gas stations in Baghdad are open. Children play soccer in numerous vacant fields, and organized leagues have become the norm, particularly in the wake of the Iraqi soccer team watershed victory in the July 2007 Asian Cup over a heavily favored opponent from Saudi Arabia. And in the council of representatives, the Iraqi council of representatives has passed over 60 laws this year.

Let me give you a feel for some projects. A snapshot in time from a one-week period on July -- the Gulf Regional Division of the U.S. Army Corps of Engineers completed nine projects in four separate provinces, costing well over \$19 million. This included two hospitals or clinics, two schools, one electric project, one courthouse, one road, one water project and one rubble removal project.

82,000 Iraqis will benefit due to better medical care. 450 Iraqi children have new schools. 2,100 have more reliable electricity, and communities and roads are better served by access to potable water, safe travel and cleaner, safer neighborhoods. Seven of the nine projects were led by Iraqi contractors, and all made extensive use of Iraqi labor.

Let me give you an update on the budget. In 2006, the Iraqi government managed to execute only 22 percent of its capital budget. That's an estimated \$1.35 billion of a \$6.2 billion budget. It is worth noting that implementation and expenditure of the budget were slowed by the fact that the permanent government was not established until June of 2006.

True success lies not only in the percentage of the capital budget actually spend in 2007 but in the effects of spending, as the Iraqi government seeks to establish its credibility through improved delivery of public services and tangible economic development. Moreover, adherence to and improved familiarity with the decentralized and accountable fiduciary structures introduced since the fall of Saddam will give Iraqi citizens added confidence and a reason to support their local, regional and national governments.

The effects of this new emphasis and these new procedures have already been felt, albeit unevenly, across the country. Some ministries have developed and are implementing aggressive spending plans, such as the Ministry of Education, and several provinces, such as Anbar, which are demonstrating their empowerment through their spending programs. Should these successes spread across Iraq, this would mark the beginning of a new relationship between the citizens and their government.

And I'll close with one thought, and it's a personal opinion of mine. I think the Iraqi future's bright. The good news is that they get a vote as to how bright that future will be. It's just not the simple casting of a ballot, it's those historic courageous steps at the grass-root level that will continue to pave the way for many generations to come.

And I think with that I'll stop. I now look forward to your questions.

LT. CMDR. DEWALT: Great. Thank you very much, sir. I do appreciate it. Let's jump right into the blogger Q&A, but Grim, before I start with you, anybody else call in that we have not heard from, any late call-ins? (No audible response.)

Okay, well, we'll go ahead and jump right in and begin with Grim from Blackfive.

Q Yes, this is Grim from Blackfive.net. Colonel, we spoke with Navy Captain Gilboe (sp) a week or so ago, maybe a little longer than that. He was talking about the use of Iraqi contractors and how there's been about a billion dollars of contracts to Iraqi contractors which looks like, according to some numbers I have here, about 3 percent of Iraq's current GDP, which is, as Deputy Undersecretary of Defense Brinkley told us last week, representing GDP that's got about a 50 percent unemployment rate.

So the question is: Is this is a job that, you know, fixing the Iraqi economy, kick-starting it, is this a job that may be too big for the Department of Defense? And if so, where are we trying to make up the difference in terms of interagency or international efforts.

COL. SMITH: Well, first of all, I'm not quite familiar with those numbers from the -- it sounds like that came from a joint contracting command of Iraq and Afghanistan. I'm not familiar with those numbers, but I can -- what I can say is the economic development piece here is not a DOD mission, it's clearly interagency. And I'll give you an example of just how complex this is.

We hold meetings after meetings with not just the folks from within the Department of Defense but from other agencies, creating an interagency -- joint interagency working group to help get after -- or provide solutions as well as bring in the government of Iraq leaders at various levels to support that. Because truly this is all about Iraq eventually taking care of Iraq, and if we don't bring them into that process, then we're only delaying the inevitable. So it's not a DOD mission; it's truly interagency.

Q Can you give us some examples of ways in which either the interagency or coalition partners have assisted in the effort greatly?

COL. SMITH: Yeah, you know, those projects that I talked about with GRD, the Gulf Regional Division of the U.S. Army Corps of Engineers -- a lot of those projects were done not just with Iraqi personnel but also with other agencies like (OTAIO ?), USAID, who we work with on a daily basis. The Brinkley Group, they -- as a matter of fact, the Brinkley Group, they are located out of our office in Strategic Effects, and we have an LNO aligned with them and -- so when you start talking about jump-starting or stimulating the economy and capital investments, they play a huge role in that. And they interact, interface with various agencies throughout not just Multinational Forces-Iraq but also the mission here in Iraq.

Q Thank you, Colonel.

COL. SMITH: You're welcome.

LT. CMDR DEWALT: Thanks. And next -- David Axe?

Q Hi, Colonel. My name is David Axe. I'm with Aviation Week. So what's your position on the oil law?

COL. SMITH: I don't have one. That's a political thing, and I don't have a position on that.

Q Oh, but surely this is a huge factor in economic development.

COL. SMITH: Yeah, that's a -- you're absolutely right. We favor the passage of any government of Iraq law that helps promote Iraq unity and a fair sharing of that national resource of course for the benefit of all Iraqis. Q Okay.

COL. SMITH: As far as having a personal opinion on that, it's not what matters to Colonel Smith, it's what's good for the Iraqi people.

Q Right. But I mean -- but you believe that opening up Iraq's oil -- I mean, I'm not asking for your personal opinion but rather for your office's opinion on -- the position on whether Iraq needs to open up its oil resources to international markets, international development.

COL. SMITH: Yeah, you know, I'm a military guy. My office does not have a position on whether or not Iraq should open up its resources. That's a -- again, that's a political issue; that belongs in the political realm.

Q Okay.

How close -- you know, I sometimes contrast Iraq with Afghanistan and note one of the huge differences is the huge presence of NGO -- civilian NGOs and a lot of government aid groups from various governments in Afghanistan versus the almost total absence of those in Iraq.

To what extent do we need a greater presence of NGOs, aid groups in Iraq, and how close are we to getting that?

COL. SMITH: I've not looked at that situation at my level.

Q But isn't that -- wouldn't that be a huge factor also in economic development, is getting more than just, you know, Department of Defense and more than just Department of State, but also getting civilian NGOs in there?

COL. SMITH: Oh, absolutely. And the NGOs have been in the country for years. I was here from 2003 to 2004 up in Mosul, and the NGOs were here then, and of course they're still here now.

You know, one of the things my office -- what we hone in on -- you started talking about economic development. It's truly that area where you -- as you transition from kinetic operations to non-kinetic operations, it's those initial basic needs and services that the people will need as you come out of that kinetic environment, as you start to move the community back towards some state of normalcy. By working through the interagency process, we're able to -- which we are not perfect at. We've got a lot of work to do in that regard, but we're getting there.

But by virtually working through that, we bring on the right type of people early on in the process, so as we work our way out of -- from a military perspective of a job, those on the civilian side for long term economic development they continue to maintain that momentum.

Q So I'm intrigued by your position that there's a notable NGO presence in Iraq because I've encountered a couple, but I know that it doesn't -- the number of NGOs in Iraq now versus, say, in the immediate aftermath of the war in 2003 is -- you know, it's a tiny percentage of the previous level of NGO involvement. And --

COL. SMITH: I -- I -- go ahead.

Q Well, I mean, how are we going to get those folks back in? I think most people who study international development would say that that's a key step towards integrating Iraq into a global economy and, you know, getting -- building up capacity. So how close are we to getting these folks back in?

COL. SMITH: You mentioned I said that there were notable NGOs here.

I didn't say that. I said that when I was here in 2003, 2004, there were NGOs here, and they continue to be here.

At my level, I don't -- I do not look at the prospects of trying to bring NGOs in and what those levels are. I mean, I'm truly getting after the basic needs and services of the Iraqi people as we go from that kinetic to that non-kinetic type operations.

Q Okay. Thank you very much.

COL. SMITH: You're welcome.

LT. CMDR. DEWALT: Okay. And next, if -- Dave Price, if you'd like to go ahead --

Q Yeah. Dave Price from Dean's World. I wanted to ask -- I know a lot of us have been monitoring the electricity situation, and I know we are installing a lot of electrical plants there. But it seems like the national numbers for the grid don't seem to be going up. Is that because old infrastructure is failing, or what exactly is happening there?

COL. SMITH: There's a combination of things. You've got -- the infrastructure is -- it of course is poor, but also, you know, blackouts -- I'll give you an example. The first week of August, both Baghdad and the national average dropped from one hour from the previous week. The province of Anbar was the only province to receive more than 20 hours of power, which actually received 22. Basra, down south in Iraq, and Dohuk, up in the north, in the Kurdish region, were the next-highest, receiving 16 and 16 hours respectively.

That decrease, for the most --

Q Now can you talk about --

COL. SMITH: Say again?

Q I'm sorry. Can you talk about why that is? It seems like we've installed almost as much --

COL. SMITH: Yeah. Sure. Yeah, I mean --

Q -- but it seems like we've installed more than is operational now.

COL. SMITH: Yeah, that --

Q Is that because we're having trouble getting people to operate things, or what exactly is the nuts and bolts of why those national numbers aren't going up?

COL. SMITH: That particular case, the decrease was due to multiple system-wide outages that occurred throughout that particular week. And that's

also from provinces not necessarily following their provincial allocation for their particular province, and there are some unique situations in each one that -- and that -- having the right the of folks in there to lead and manage the electricity issue, people tapping into it, interdiction, and so you've got a lot of that going on as well that take power off the grid.

Q So you would say some of it is attributable to insurgent action?

COL. SMITH: Yes.

Q Thanks for your time.

COL. SMITH: You bet. You're welcome.

LT. CMDR. DEWALT: Good. Great. Thank you.

And next Jarred Fishman.

Q Good afternoon, sir. This is Lieutenant Fishman with The Air Force Pundit. You mentioned earlier how you said your own opinion is that you're pretty optimistic about the future of Iraq. And certainly the American public is not that confident. So what would you tell the American public that you're seeing on the ground in your day-to-day life and actions that gives you that feeling of confidence?

COL. SMITH: If you're here on the ground, you can see it as people continue to police themselves up by the bootstraps and continue on with the day at hand. To sit in meetings where in the beginning the majority of the people at the table were coalition forces and other interagencies and you're doing the majority of the talking, and you do a rewind six months into the future, and the next thing you know, you're not saying anything and the leaders are providing guidance and direction and making things happen, then that's pretty regarding. And then at the provincial level, local leaders and the people in the communities and the neighborhoods taking ownership of their communities is a very encouraging sign, as well as their desire or their will to also take a stance against al Qaeda and terrorist- type activity. So it's very positive.

LT. CMDR. DEWALT: Okay. Any follow-up, Jarred?

Q Well, yeah. I mean, that's great. That's what we're seeing these tactical issues -- you know, new things coming on line like that. I was just wondering, from a strategic aspect are you seeing greater tie-in between those provincial, you know, salvation councils, the tribes, the emirs and the national government to the point where they believe things aren't just going to totally collapse?

COL. SMITH: Well, we've gone -- I'm not going to predict anything, but we've had 17 -- or 18 provinces here, and 17 of those 18 provinces have been turned over to the provincial governors. I mean that's -- right around the corner another one, and I won't call the name, that will turn over to provincial governors. So we feel very positive that in the future as things continue to stabilize on the security front, as our surge ops continue to have an impact and set the conditions for economic development as well as capacity building, which would facilitate, I guess, more NGOs coming in if we don't have that many in here, as well as the ability to govern, will only facilitate from the grassroot level up more of these provinces and neighborhoods continuing to be turned over to the local leaders. And that's very positive.

LT. CMDR. DEWALT: Great. Thank you.

And do we have any other follow-up questions from any of the bloggers?

Q Just a real -- I'm sorry, go ahead.

Q (Inaudible.)

COL. SMITH: I can't hear. I hear somebody but -- I hear them but I don't hear them.

Q That's all right. I think I actually heard myself in an echo there. Dave Price from Dean's World.

I wonder if you could talk, just generally, do you see the kind of improvement in security that's going to allow -- I know you said that insurgent action had been responsible for some of the degradation in infrastructure. Do you see the kind of improvement in security that's going to allow that to not be the case anymore?

COL. SMITH: That last part of your question I didn't catch. Say that again, please?

Q Do you see the kind of improvement in security, with the Iraqi forces holding their areas, that that's going to allow the infrastructure to improve and increase the delivery of basic services over the next year?

COL. SMITH: With the Iraqi forces being able to hold, you say?

Q Yeah. Mm-hmm.

COL. SMITH: Well, to make sure I got the question right, do I foresee the Iraqi security forces being able to hold to allow goods and services to be delivered?

Q More just basic infrastructure, like the electricity projects that keep getting -- (short audio break).

COL. SMITH: Yeah. I mean I think -- I think that will continue to get better over time. And the interdictions and all are -- we have all the indicators, they're all -- they're getting less and less as the Iraqi security forces continue to get stronger. Their capability, their capacity to operate independently continues to increase, which it is. They're doing some independent operations out there, and being very effective, by the way.

And so, you know, our job here, at least from a military perspective, is to work our way out of a job over time. But, you know, it will take time and patience, but it's the will of the Iraqi people that's going to make the difference here. And I think the future's very bright for them and their people to make that difference.

LT. CMDR. DEWALT: Okay. I thank you all for the questions and comments today. As we wrap up today, Colonel, do you have any final comments for the group?



COL. SMITH: No. I'd just like to thank you all for allowing me an opportunity to speak with you today and for your continued support of our military and civilian employees around the globe. Thank all of you, and God bless you.

Q Thanks.

Q Thanks for your time.

LT. CMDR. DEWALT: Thank you very much, sir. And final information here. Today's program will be available online at the Bloggers Roundtable link on [www.defendamerica.mil](http://www.defendamerica.mil), where you can access a story from the American Forces Press Service based on today's call, along with source documents such as this audio file, print transcripts, biographies and any other related information we receive.

If there are any questions about this program, please contact the Department of Defense New Media Team at 703-325-0103 or Blogger Outreach at HQ.AFIS.IC.mil.

Again, thank you, Colonel Smith and our blogger participants. This concludes today's event. Feel free to disconnect at any time.

COL. SMITH: Thank you very much.

LT. CMDR. DEWALT: Thank you very much. We appreciate it.

COL. SMITH: You bet. Okay. All right, bye now.

END.